



**For Immediate Release**

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## **Runner Applauds Lumber Tax Cut for Small Businesses**

SACRAMENTO – Legislation proposed by George Runner to ease the burden of a lumber tax on small businesses has become law.

[Assembly Bill 2031](#), authored by Assemblyman Brian Dahle (R-Bieber), passed the Legislature with bipartisan support and was signed by Governor Brown on September 29, 2014.

“Two years ago, the Legislature imposed a heavy burden on businesses when it created a complicated new tax on lumber products,” Runner said. “By eliminating this tax for California’s smallest retailers, the Legislature is finally admitting this law should never have applied to them in the first place. This is a tax cut, pure and simple, for California small businesses and their customers.”

In 2012, the Legislature enacted AB 1492, which imposed a 1% assessment on lumber and engineered wood products. Unfortunately, the bill did not allow an exemption for qualified businesses that have little or no sales of wood products, causing many retailers to needlessly file returns. AB 2031 fixes this problem by exempting businesses that sell less than \$25,000 in lumber or engineered wood from paying the 1% Lumber Products Assessment. This will save nearly 1,000 businesses the hassle of separately reporting lumber sales to the Board of Equalization.

“California’s rural areas are full of mom-and-pop stores where you can buy a gallon of milk, a fishing license, and a 2-by-4 or sheet of plywood,” Assemblyman Dahle said. “The cost of paperwork for collecting this tax outweighed any benefit to the state. I appreciate the Legislature’s willingness to see reason and make life easier for small businesses.”

The full Board of Equalization voted to sponsor AB 2031 at its January meeting. In addition the measure received support from the California Retailers Association, the California Forestry Association, CalTax and many small business owners.

Elected in November 2010, George Runner represents more than nine million Californians as a member of the State Board of Equalization. For more information, visit [www.boe.ca.gov/Runner](http://www.boe.ca.gov/Runner).

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